

# STATUS UPDATE

7/31/96

## DC METALS SITE

The following fact sheet prepared by DC Metals is to let the community know about DC Metals' business and the source of the contamination on DC Metals' property. Cypress Street Investments is the owner of property located at 1414 Third Street, Oakland, California, across the street from the former Bobo's Junk Yard site, which is owned by Southern Pacific. DC Metals is the general partner of Cypress and is a tenant operating a scrap metal recycling business on the site. No hazardous chemicals are used or handled by DC Metals.

Cypress purchased the property in December 1989 from Mr. and Mrs. Nagy, who owned and operated AMCO Chemical Company. AMCO operated a chemical distribution business at the property from the 1960s through the 1980s. AMCO had large above-ground storage tanks on the property and stored chemicals in 55 gallon drums.

Since 1985, the DTSC has been aware of serious problems with AMCO. The Oakland Fire Marshall sent the DTSC (which was then called the Department of Health Services, Hazardous Waste Management branch), a letter requesting the DTSC's expertise in abating a serious pollution problem at AMCO. Apparently nothing was done by the DTSC at that time.

Then in 1988, the DTSC inspected the property after receiving a complaint that AMCO had spilled chemicals on the ground. The DTSC inspector photographed the property and sampled chemicals. The public records reveal that the DTSC did not require AMCO to clean up the soil or the groundwater, and the only thing that the DTSC required AMCO to do was to put a fence around the property and to post signs saying that hazardous materials were being used by AMCO.

About a year later, Cypress decided to purchase the property. Neither Cypress nor DC Metals wanted anything to do with the chemicals or the hazardous materials. Mr. Nagy assured DC Metals that AMCO had been given a clean bill of health by the DTSC and that all hazardous materials had been removed from the property. Mr. Nagy told DC Metals that AMCO would clean up any hazardous chemicals on the property.

When Cypress purchased the property in December 1989, the property was entirely clean. There were no drums on the property and no above-ground storage tanks on the property. There was nothing on the property to lead Cypress or DC Metals to suspect that the pollution had not been cleaned up. No one from the DTSC contacted Cypress or DC Metals to warn that hazardous chemicals were underneath the property or that AMCO had not fully cleaned up the property.

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For the next six years, DC Metals conducted its business of recycling scrap metal. Then, in August 1995, seven years after the DTSC 1988 investigation, the DTSC sent DC Metals a letter claiming that it had just recently discovered the existence of contamination in front of the property. The enforcement order was issued approximately six months later.

The DTSC has known for over seven years that AMCO had contaminated the property, but allowed AMCO to simply put a fence around the property and to do nothing more than remove the drums and above-ground tanks. By not requiring AMCO to clean up the soil and groundwater, the DTSC allowed AMCO to sell contaminated property without full disclosure or a deed restriction. Because the DTSC was not conducting any further investigation into the soil or groundwater contamination on the property in December 1989, DC Metals had no idea that the property was still contaminated.

Now, the DTSC is placing most of the blame for the hazardous situation upon DC Metals, despite the fact that DC Metals never used any of the chemicals, and had no idea at the time Cypress purchased the property in December 1989, that the pollution still existed underneath the property. Rather than pursuing AMCO or the Nagys who operated AMCO, the DTSC is requiring DC Metals and Cypress to shoulder the entire burden of responding to its imminent and substantial endangerment order when their only involvement is that of the current property owner and tenant.

Cypress and DC Metals feel that the DTSC's position is fundamentally unfair. DC Metals is a small family owned business. The founder of the company is retired, and his two sons now operate the business. The family and their business are being destroyed by the implication somehow that DC Metals is responsible for the contamination. This is not the case. The pollution was caused by AMCO, and the DTSC knew about the pollution in 1988.

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